

## **Delegation Order 5-1 (Rev.3)**

**Effective Date: January 6, 2009**

### **(1) To Accept, Reject, Return, Terminate or Acknowledge Withdrawals of Offers in Compromise**

#### **Acceptance Authority**

**(1) Authority:** To accept offers in compromise based on:

- Doubt as to liability.

**(2) Delegated to:** SB/SE Examination Area Director, Examination Policy; SB/SE Chiefs reporting directly to Director, Specialty Programs; SB/SE Examination Territory Managers; SB/SE Specialty Programs, including International, Territory Managers (2<sup>nd</sup> Level); SB/SE Technical Services Territory Managers; SB/SE Compliance Services Department Managers (COIC); and Appeals Team Case Managers and Team Case Leaders.

**(3) Authority:** To accept offers in compromise based on:

- Effective Tax Administration - Public Policy Reasons or Equity Considerations.

**(4) Delegated to:** SB/SE Director, Collection Policy; SB/SE National Program Manager (OIC); SB/SE Collection Area Directors; Appeals Director, Field Operations

**(5) Authority:** To accept offers in compromise based on:

- Effective Tax Administration – Economic Hardship
- Doubt as to collectibility, and
- Offers involving employees of the Internal Revenue Service

**(6) Delegated to:** SB/SE Director, Collection Policy; SB/SE National Program Manager (OIC); SB/SE Collection Territory Managers (2<sup>nd</sup> Level); SB/SE Compliance Services Department Managers (COIC); Appeals Area Directors

**(7) Authority:** To accept offers in compromise, excluding offers from employees of the Internal Revenue Service based on:

- Doubt as to collectibility, without special circumstances
- Effective Tax Administration (offer based on economic hardship) and doubt as to collectibility with special circumstances, when the assessed liability is less than \$100,000.

- (8) **Delegated to:** Appeals Team Managers and Appeals Team Case Leaders
- (9) **Authority:** To accept offers in compromise, excluding offers from employees of the Internal Revenue Service, based on:
- Doubt as to collectibility when the assessed liability is less than \$250,000
  - Effective Tax Administration OICs based on economic hardship, and doubt as to collectibility with special circumstances, when the assessed liability is less than \$100,000
  - Doubt as to liability of trust fund recovery penalty and personal liability for excise tax when the liability (including interest, penalty, additional amount, or additional tax) is less than \$100,000
- (10) **Delegated to:** SB/SE Collection, Examination, and Specialty Program Group Managers, for their respective cases; SB/SE Compliance Services Offer Examiner Unit Managers (COIC).

### **Rejection Authority**

- (1) **Authority:** To reject offers in compromise based on the offer not being in the best interest of the government
- (2) **Delegated to:** SB/SE Director, Collection Policy; SB/SE National Program Manager (OIC); SB/SE Compliance Services Operations Managers (COIC); SB/SE Collection, Territory Managers (2nd Level); Appeals Area Director
- (3) **Authority:** To reject offers in compromise, excluding offers involving employees of the Internal Revenue Service, based on:
- Effective Tax Administration - Public Policy Reasons or Equity Considerations
- (4) **Delegated to:** SB/SE Director, Collection Policy; SB/SE National Program Manager (OIC); SB/SE Compliance Services Operations Managers (COIC); SB/SE Collection, Territory Managers (2nd Level); Appeals Director, Field Operations
- (5) **Authority:** To reject offers in compromise, excluding offers involving employees of the Internal Revenue Service, based on:
- Effective tax administration based on economic hardship
  - Doubt as to collectibility
  - Doubt as to liability of trust fund recovery penalty and personal liability for excise tax
- (6) **Delegated to:** SB/SE Director, Collection Policy; SB/SE National Program Manager (OIC); SB/SE Examination Area Director, Examination Policy; SB/SE Chiefs reporting directly to SB/SE Director, Specialty Programs; SB/SE Collection Group Managers;

SB/SE Compliance Services Offer Examiner Unit Managers (COIC); Appeals Team Managers and Appeals Team Case Leaders

- (7) **Authority:** To reject offers in compromise, excluding offers involving employees of the Internal Revenue Service, based on:
- Doubt as to liability
- (8) **Delegated to:** SB/SE Director, Collection Policy; SB/SE National Program Manager (OIC); SB/SE Director, Examination Policy; SB/SE Chiefs reporting directly to SB/SE Director, Specialty Programs; SB/SE Collection Territory Managers (2nd Level); SB/SE Compliance Services Department Managers (COIC); SB/SE Technical Services Group Managers; Appeals Team Managers and Appeals Team Case Leaders
- (9) **Authority:** To reject offers in compromise involving employees of the Internal Revenue Service
- (10) **Delegated to:** SB/SE Director, Collection Policy; SB/SE National Program Manager (OIC); SB/SE Compliance Services Operations Managers (COIC); SB/SE Collection, Territory Managers (2nd Level); Appeals Area Director

### **Withdrawal Authority**

- (1) **Authority:** To acknowledge withdrawal of all offer in compromise.
- (2) **Delegated to:** SB/SE Collection, Examination, and Specialty Programs Group Managers, for their respective cases; SB/SE Compliance Services Unit Managers (COIC) responsible for offer in compromise processing; Appeals Team Managers and Appeals Team Case Leaders.

### **Return Authority**

- (1) **Authority:** To return all offers in compromise.
- (2) **Delegated to:** SB/SE Collection, Examination, and Specialty Program Group managers, for their respective cases; SB/SE Compliance Services Unit managers (COIC) responsible for offer in compromise processing; Appeals Team Managers and Appeals Team Case Leaders.
- (3) **Authority:** To return offers in compromise excluding those based on failure to provide financial information, failure to make required estimated tax payments, failure to make required Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) payment(s) when submitting a revised offer, incorrectly claiming exemption from application fee or TIPRA payments, or “solely to delay” collection considerations.

- (4) **Delegated to:** Offer in Compromise Specialists; GS-11 Revenue Agent Reviewers; Offer in Compromise Examiners, Offer in Compromise Process Examiners, and Journey level SB/SE Compliance Services Tax Examiners, Appeals Officers, and Appeals Settlement Officers.

### **Termination Authority**

- (1) **Authority:** To terminate consideration of any offer in compromise upon the death of a taxpayer.
- (2) **Delegated to:** GS-11 Revenue Agent Reviewers; Offer in Compromise Specialists, Offer in Compromise Examiners, Offer in Compromise Process Examiners, and Journey level SB/SE Compliance Services Tax Examiners; Appeals Officers, Appeals Settlement Officers, and Appeals Team Managers.
- (3) **Authority:** To terminate a compromise agreement upon a taxpayer's default of the terms of a compromise or the terms of any collateral agreement.
- (4) **Delegated to:** The official who accepted the offer in compromise or his/her successor; W&I and SB/SE Compliance Services Unit Managers and Appeals Team Managers.

### **Redelegation and Sources of Authority**

- (1) **Redelegation:** The above authorities may not be redelegated.
- (2) **Sources of Authority:** 26 CFR 301.7122-1; 26 CFR 301-7701-9; Treasury Order 150-10.
- (3) To the extent that the authority previously exercised consistent with this order may require ratification, it is hereby affirmed and ratified. This order supersedes Delegation Order No. 5-1 (Rev. 2).

Signed: Linda E. Stiff, Deputy Commissioner for Services and Enforcement